

AMENDED

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 276th MEETING OF THE BOARD OF COMMISSIONERS December 22, 2004

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on December 22, 2004 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island. Board members present were Chairman, David A. Duffy, Commissioners, Paul MacDonald, Jerry Massa, Dale Venturini, Joe Judge, George Nee, Dave Gavitt, Brad Waugh and Michael Mello. Mr. Mello was appointed to the Board by Mayor Ciciline. Also present were James P. McCarvill, Executive Director, Theodore J. Przybyla and Ken Mancuso, RICCA; Bruce Leach, Legal Counsel; Matthew Kenney and Richard Brush, Pinnacle Advisory Group; Joanne Sourial and Jen Leigh, The Link Agency; Brian Whiting, PWCVB; Thomas Mullaney, Budget Office; Mark Anderson and Harry Jones, Westin Hotel; Tim Muldoon, SMG; Alisa Gallo, Local 217 H.E.R.E; Andrea Stape and Mary Murphy, Providence Journal; Maureen Gurghigian, First Southwest; Normand Benoit, Partridge, Snow & Hahn; David DePetrillo, RIEDC; Frank Champi, LGC&D and Eileen Smith, Recording Secretary. CALL TO ORDER Recognizing a quorum, Chairman Duffy called the meeting to order at 9:04 a.m. APPROVAL OF MINUTES Chairman Duffy entertained a motion to accept the minutes of the 276th meeting, November, 2004 as distributed. Upon a

motion duly made by Mr. MacDonald and seconded by Mr. Waugh it was unanimously VOTED: to approve the minutes of the 276th meetings as distributed. Chairman Duffy instructed the RICCA office to send the approved minutes to the Secretary of State's office via electronic mail.

Chairman Duffy announced that the Mayor had appointed Michael Mello to fill the vacancy on the Board. The Commissioners welcomed Mr. Mello.

OPERATIONS AND FACILITIES COMMITTEE Mr. Massa, noting that this would be the last meeting of the year, thanked the operators for a job well done. Mr. Duffy expressed the appreciation of the Authority on the team effort displayed by the entire staff following the frozen pipe incident on Tuesday. Mr. Massa asked Mr. Jones brief the Board on the progress of the numerous hotel projects. Mr. Jones stated that the escalator project is slightly behind schedule due to inclement weather. He noted that the suites renovation and elevator cabs will be complete by December 31st. Mr. Massa reported that repairs to the Convention Center sidewalk will be delayed until the warmer weather. Responses to the RFP for the Parking Garage Revenue Control are being reviewed and Mr. Muldoon said that he would have more information at the next O&F Committee meeting.

FINANCE COMMITTEE REPORT Chairman Duffy recognized Mr. Judge and asked him to report on the Finance Committee meeting.

Mr. Judge stated that the consolidated income from operations before other expenses for the five months ending November 30, 2004 of approximately \$4.2 million exceeded last year by \$360,000 and fiscal year 2005 budget by \$896,000. Mr. Judge stated that the Westin reported year to date revenue exceeding expenses for a net of \$198,000. Mr. Judge continued that the Convention Center reported a consolidated net to budget of \$300,000 and a positive consolidated net to last years actual of \$222,000. Mr. Judge noted that both operators had indicated that their projection continue to track on budget for the remainder of the fiscal year.

MARKETING COMMITTEE

Ms. Venturini informed the Board that the Marketing Committee had met on December 16th. She said that there are some very exciting things going on and that there has been a great deal of cooperation among the tourism groups. Ms. Venturini reported that Mr. DePetrillo had invited the Rhode Island Tourism Division's web master, Richard Soares, who confused us all. Mr. Soares has been invited back to demonstrate the way the web site works. Ms. Venturini asked Brian Whiting to report on the efforts of the PWCVB. Mr. Whiting said that the CVB has had a great month. He said that the sales team has been on the road and working hard to bring groups to the City. Mr. Whiting stated that November sales include five convention center bookings, which account for 3,240 room nights and four non convention center related bookings for 1,410 room nights. Mr. Whiting said that he was

pleased to report that International Microelectronics and Packaging Society have signed a contract for September 2008 and accounts for 1,830 room nights and 43,094 net square footage of exhibit and meeting space. He said that this is a citywide booking and that Providence beat out Boston. Mr. Whiting thanked the Convention Center and the Authority for all their help with the Festival of Trees. Discussions ensued regarding the success of the event and its future. Ms. Venturini recognized Mr. Anderson who noted that group pace bookings look strong. He said that hotel sales team leaders had visited the facilities and the visit proved to be very successful. Mr. Muldoon addressed the Board and informed them that a client appreciation party would be held on January 20th for existing and new clients. He said that the Convention Center would use this event to showcase the ballroom renovations. Chairman Duffy said that he had hopes of tying both the renovated ballroom and the escalator relocation together. Ms. Venturini asked Joanne Sourial to present a brief report of the Link Agency's progress in attracting visitors to the facilities. Ms. Sourial reported that she has been in contact with several publications and the agency is working on finding the hook that will bring in guests. She continued that the area's positive labor environment and excellent restaurants have been the focus of the agency's attention. Ms. Sourial commented on the "Red Sox Spectacular" and the prices being asked for autographs. Mr. Gavitt noted that the negative side of players signing autographs without a fee is that dealers will sell the items. He continued that older players will only personalize an autograph because of the problems with

resale.

Upon a motion duly made by Mr. Nee and seconded by Mr. Massa by a roll call vote it was unanimously

VOTED: to convene in executive session in accordance with R.I.G.L §42-46-5(a) at 9:27 a.m.

Mr. Nee - yes, Mr. Duffy - yes, Mr. MacDonald – yes, Mr. Massa – yes, Ms. Venturini – yes, Joe Judge – yes, Mr. Gavitt – yes, Mr. Mello – yes.

Open session resumed at 10:45 a.m.

Mr. Duffy reported that a resolution was made by Mr. Nee, seconded by Mr. MacDonald and by roll call unanimously voted to select The Procaccianti Group as the purchaser/developer of the Westin Providence. Mr. Duffy read the resolution.

RESOLUTION OF THE RHODE ISLAND CONVENTION CENTER AUTHORITY

Whereas, the Authority issued its “Request for Statement of Qualifications and Proposals to Purchase the Westin Providence and Related Property Development”, and 15 responses were received, and further negotiations were held with a number of the respondents, including The Procacciant Group; and

Whereas, The Procaccianti Group has offered to purchase the Westin Providence for the sum of \$95,500,000, with a deposit of \$ 5,000,000; and

Whereas, The Procaccianti Group has agreed to build at least 200 additional hotel rooms on the vacant adjacent parcel within 24 months, and provide appropriate room blocks, and such other terms as set forth in its offer; and

Whereas, in connection with any sale certain of the Authority's revenue bonds will be redeemed; and

Whereas, after consideration and evaluation of the responses, and the effect of a sale on the Authority's outstanding revenue bonds:

Now therefore, the Rhode Island Convention Center Authority resolves that:

The Chairman and the Authority's staff, in concert with the Authority's consultants, are authorized: (i) on the Authority's behalf to negotiate a definitive Purchase and Sale Agreement, and ancillary documents, with The Procaccianti Group for the sale of the Westin Providence, in substantial accord with their offer and this resolution for presentation to and approval by the Board, and (ii) to undertake those steps necessary to obtain the requisite approvals required by

the Authority's Bond Documents or otherwise.

The Agreement shall be subject to, among other things,

a) the Board approving the definitive Purchase and Sale Agreement, and ancillary documents, negotiated by the Chairman and staff;

b) the Authority obtaining all approvals required by the Authority's applicable Bond Documents; and such sale not adversely effecting the tax exempt status of the bonds to be redeemed or to remain outstanding; and

c) The Authority obtaining all appropriate approvals necessary to accomplish such sale.

Chairman Duffy reported that an additional resolution duly made by Mr. Judge, seconded by Mr. Massa and by roll call, unanimously voted;

That if, for any reason, the Authority is not able to negotiate a purchase and sale agreement with the Procaccianti Group, then the Board authorizes the Chairman and the Executive Director in concert with the Authority's consultants, to enter into negotiations with the next highest and qualified bidder, Cornerstone.

Upon a motion duly made by Mr. Massa and seconded by Mr. Judge it

was unanimously

VOTED: to seal the minutes of Executive Closed Session until matters have been resolved and adjourn at 10:55 a.m.